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PACIFIC  TELESIS
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March 19, 1993

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Donna R. Searcy
Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

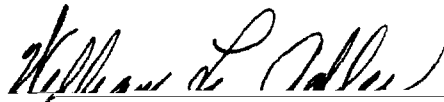
Dear Ms Searcy:

Re: RM-8179 - *Request for Declaratory Ruling and Petition for Rulemaking by Cellular Telecommunications Industry Association*

On behalf of PacTel Corporation, please find enclosed an original and six copies of its "Comments" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Request for Declaratory Ruling)
and Petition for Rulemaking by)
Cellular Telecommunications)
Industry Association)

RM-8179

COMMENTS OF PACTEL CORPORATION

PacTel Corporation is filing these comments in support of CTIA's Request for a Declaratory Ruling and Petition for Rulemaking. CTIA's Request seeks in part a ruling from the Commission that cellular services governed by Section 221(b) of the Communications Act are not subject to the federal tariff requirements of Section 203 (a). CTIA further requests a ruling that cellular carriers are nondominant carriers subject to streamlined tariff requirements for cellular interstate services. PacTel Corporation

categories of nondominant carriers, such as nondominant wireless carriers, can and should be regulated differently than dominant carriers", the FCC has not addressed the fundamental questions in the CTIA petition, i.e., are cellular carrier services which are subject to state regulation outside the purview of Section 203 (a); and are interstate cellular services nondominant? PacTel believes that the answer is affirmative for both questions.

CTIA's first argument is that because of the essentially intrastate nature of cellular services, such services are outside the scope of Section 203 (a). Rather, cellular services fall under Section 221 of the Act, because they are exchange services subject to state jurisdiction. Thus the FCC is not being asked to forbear from tariffing where it has a statutory mandate to do so, but to acknowledge where it does not have such authority. Both the statutory history and a literal reading of Section 221 (b) support CTIA's conclusions. Even where there is an incidental interstate component of cellular service, such as where an MSA/RSA covers more than one state, the service is still "exchange" service, subject to state jurisdiction under the Act.

CTIA's further request for nondominant status for those few interstate services legitimately subject to the Commission's jurisdiction is supported by even a cursory analysis of the interexchange market. Interstate cellular services, including some intersystem hand-off which may cross state lines, and the provision of interstate message toll service separate from airtime charges, constitute a tiny portion of the total interstate telecommunications traffic. The vast majority of mobile calls are purely local in nature. By one analysis, long distance calls constitute less than 10 percent of a cellular user's bill Geodesic Network II at 4.105, fn. 420. Of the truly interstate components of cellular service, traffic is carried primarily by unaffiliated interexchange companies (mandated of

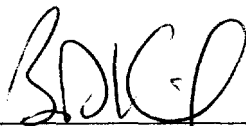
course for RHC-affiliated cellular companies by the AT&T Consent Decree), thus limiting cellular to the role of "connecting carriers". CTIA Request at 10.

Given the insignificant fraction of interstate communications carried by cellular licensees, cellular operators have no ability to exercise market power in interstate telecommunications. Nor would they have the incentive to do so. To the extent that cellular carriers provide long-distance services, they do so primarily to increase airtime usage by increasing the convenience and variety of cellular services. Geodesic Network II at 4.114. In short, cellular carriers are not dominant in the provision of interstate telecommunications services and raise no risks associated with market dominance, including cross-subsidization and monopoly profits.

By reaffirming cellular's status as exchange service for the purposes of regulatory classification and acknowledging its nondominance in interstate services, the Commission will provide the cellular industry with the clarity it needs to determine its filing obligations in the near term without the potential for wasting resources on tariff filings which meet no statutory or regulatory objectives.

Respectfully submitted,

PACTEL CORPORATION



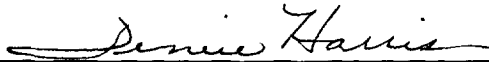
Brian D. Kidney

Executive Director, External Affairs
2999 Oak Rd., MS 1050
Walnut Creek, CA 94569
(510) 210-3920

Date: March 19, 1993

Certificate of Service

I, Denice Harris, on behalf of PacTel Corporation, do hereby certify that a copy of its foregoing "Comments" in RM 8179 was served to the party indicated on the Service List below by courier on this 19th day of March, 1993.



Denice Harris

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